GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:562
ANSWERED ON:31.08.2001
RURAL COOPERATIVE BANKS
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have formulated a new scheme to support the Rural Cooperative Banks in the country;

(b) if so, the details thereof;

(c) whether NABARD has launched any scheme to assist the cooperative banks; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB V1KHE PATH) :

(a) to (d) A Statement is laid on the Table of the House.

Statement
(a) and (b) Government had constituted a Task Force under the Chairmanship of Shri JagdishCapoor, former Deputy Governor, RBI to study the functioning of cooperative credit system and suggest measures for its strengthening. The task Force submitted its report to the Hon`ble Finance Minister on 24th July, 2000. The Report is under examination of Government inconsultation with State Governments whose active participation is necessary for revitalization of Cooperative Banks.

(c) and (d) National Bank for Agriculture and Rural Development (NABARD) has reported that witha view to strengthening the cooperative credit institutions it had introduced a mechanism of Development Action Plans (DAP)/Memorandum of Understanding (MoU) aiming at institution specific measures. The performance obligations arising out of DAP formed the basis of MoU. The implementation of DAP and compliance of MoU covenants is being monitored at State and Districtlevels by a Committee with representatives from the State Government,NABARD and Reserve Bankof India. NABARD also provides financial assistance to cooperative credit institutions for giving impetus to institutional development In the form of grant, soft loan or grant-cum-soft loan for various purposes aimed at improving the performance of these institutions from Co-operative Development Fund (CDF)constituted for the purpose.